

1 Amend 2 Cal. Code Regs. section 18705.5 to read:

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3 **§ 18705.5. Materiality Standard: Economic Interest in Personal Finances.**  
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5 (a) A reasonably foreseeable financial effect on a public official's or his or her  
6 immediate family's personal finances is material if it is at least \$250 in any 12-month  
7 period. When determining whether a governmental decision has a material financial  
8 effect on a public official's economic interest in his or her personal finances, neither a  
9 financial effect on the value of real property owned directly or indirectly by the official,  
10 nor a financial effect on the gross revenues, expenses, or value of assets and liabilities of  
11 a business entity in which the official has a direct or indirect investment interest shall be  
12 considered.

13 (b) The financial effects of a decision which affects only the salary, per diem, or  
14 reimbursement for expenses the public official or a member of his or her immediate  
15 family receives from a federal, state, or local government agency shall not be deemed  
16 material, unless the decision is to appoint, hire, fire, promote, demote, suspend without  
17 pay or otherwise take disciplinary action with financial sanction against the official or a  
18 member of his or her immediate family, or to set a salary for the official or a member of  
19 his or her immediate family which is different from salaries paid to other employees of  
20 the government agency in the same job classification or position, or when the member of  
21 the public official's immediate family is the only person in the job classification or  
22 position.

23 NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 87100,  
24 87102.5, 87102.6, 87102.8 and 87103, Government Code.  
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26 COMMENT: Cross-references: For the definition of "immediate family," see  
27 Government Code section 82029.

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